



**Director of
Central
Intelligence**

~~**Top Secret**~~

OCPAS/CIG

CY# 281

National Intelligence Daily

*Saturday
9 April 1983*

~~**Top Secret**~~

CPAS NID 83-0841X

9 April 1983

Copy 281

25X1

Page Denied

Top Secret

25X1

Contents

USSR: Discussion of INF	1
Nicaragua: Mistreatment of Miskito Indians	2
UK: Labor Party Plans	3

25X1

Japan: Local Elections	6
Portugal: Election Campaign Begins	7

25X1

Top Secret

25X1

25X1

9 April 1983

Top Secret

25X1

USSR: Discussion of INF

At a press conference in Moscow yesterday, Soviet officials sought to regain the political initiative from the US on INF, leaving the door open to a negotiated solution. []

25X1

The officials were critical of the US interim INF proposal. When asked, however, whether Moscow would agree to an INF accord providing for some US missile deployments, a Soviet General Staff representative avoided a direct rejection, noting that it is "difficult to imagine" how such an accord could be reached. He also said that "how the balance is to be represented" is a matter for the negotiations. []

25X1

Comment: Although Soviet Foreign Minister Gromyko has formally rejected the interim proposal as "unacceptable," he and subsequent Soviet commentators have hinted at continued Soviet negotiating flexibility. The comments at the press conference yesterday seem to be consistent with this emphasis. The Warsaw Pact communique issued on Thursday does not specifically reject the interim proposal but calls instead for a "constructive" response to General Secretary Andropov's offer on 21 December to reduce Soviet INF missiles in Europe to a level equal to that of British and French missiles. []

25X1

Moscow's stand clearly serves its purpose of trying to convince the West European audience of its sincerity while putting the US on the defensive. The Soviets may also be interested, however, in drawing out further US ideas on a compromise agreement that addresses Moscow's concerns—notably compensation for British and French forces and exclusion for reductions of Soviet INF missiles deployed in the Far East. []

25X1

Top Secret

25X1

Top Secret

25X1

NICARAGUA: Mistreatment of Miskito Indians

The Sandinistas' harsh treatment of Indians is provoking new support for the insurgent military campaign in the northeast.

25X1

25X1

Refugees arriving in Honduras are claiming that the Sandinista air force has attacked their villages.

25X1

25X1

Comment: Although the Sandinistas acknowledge mistakes in their past policy toward the Indians, they apparently still hope to break Miskito opposition through repression. As a result, the Miskitos are continuing to flee to Honduras or join the insurgents in the northeast. As the guerrillas' ranks swell, fighting in the area is likely to intensify.

25X1

Top Secret

25X1

Top Secret

25X1

UK: Labor Party Plans

A detailed campaign document issued by the Labor Party reveals plans to rebuild the welfare state and reconfirms leftist influence on party policies. []

25X1

The document is described as the basis for the next election manifesto. It gives priority to massive public investment in industry, increased spending on social services, opening negotiations to withdraw from the EC, and removing all nuclear weapons bases.

25X1

The party hopes to reduce unemployment from 3 million to less than 1 million within five years. To achieve the reduction in unemployment, Labor would depreciate the pound to make British goods more competitive, institute strict exchange controls to prevent capital flight and price controls to limit inflation, and adopt an independent tariff policy. []

25X1

The party would also again nationalize firms that have been denationalized, create a national investment bank, give workers crash training courses, and subsidize new jobs. Workers would be given a role, along with employers, in preparing a five-year industrial plan.

25X1

Comment: The document does not explain how the large costs of the program would be funded. It also discounts the adverse reactions of the EC and NATO to the rejection of previous British commitments. The program has been criticized in the press as "unrealistic," but it has the support of party activists and most Labor politicians, who can join in the opposition to Prime Minister Thatcher's policies and support improved employment and nuclear disarmament. []

25X1

If Labor comes to power, moderates would hope to retain control of the party's Executive Committee and, with the support of moderate union leaders, temper more radical campaign policies. This will be difficult, however, because of changes in party rules. []

25X1

Polls taken in March give Labor less than 30-percent support, well behind Thatcher's Conservative Party. Nevertheless, the emergence of the third-party Social Democratic-Liberal Alliance could still give Labor a chance to form the next government. []

25X1

Top Secret

25X1

Page Denied

Next 2 Page(s) In Document Denied

Top Secret
[redacted]

25X1

JAPAN: Local Elections

Local elections this weekend will be the first major electoral test for Prime Minister Nakasone since he took office last November.

[redacted]

25X1

Voters throughout the country will select 13 prefectural governors. Balloting for other prefectural officials and for city, town, and village assemblies will be on 24 April. [redacted]

25X1

Most political observers believe the gubernatorial races in Hokkaido and Fukuoka are the ones to watch. According to press reports, a Socialist-backed candidate in Hokkaido has a shot at ousting the Liberal Democratic Party for the first time in 24 years. The Socialist and the Communist Parties in Fukuoka are supporting a candidate who is running against the conservative incumbent governor. [redacted]

25X1

Comment: In the past, the popularity of a prime minister has played only a small role in local elections. During this campaign, however, Nakasone has been highly visible and has made numerous speeches highlighting his support for the US position on INF and the need for a greater Japanese defense effort. [redacted]

25X1

If Nakasone's party loses the governorships of Hokkaido and Fukuoka, the Prime Minister may be forced to back off on such issues. He also will be reluctant to hold national elections for the Lower House of the Diet this year. [redacted]

25X1

Top Secret
[redacted]

25X1

Top Secret

25X1

PORTUGAL: Election Campaign Begins

Campaigning began this week for the parliamentary election on 25 April that is likely to return the Socialist Party to power after a five-year interval.

25X1

The election—the sixth nationwide contest in three years—is prompting little popular interest. The campaign is centering mostly on well-known personalities rather than issues, with only the positions of the pro-Moscow Communist Party markedly different from those of the others. The three major democratic parties have tended to blur the distinctions among themselves.

25X1

Comment: The debate is centering largely on the severity of the austerity measures needed to reduce Portugal's serious balance-of-payments deficit. Foreign relations—including the temporarily suspended negotiations with the US on the base at Lajes—are receiving little attention primarily because of the pro-NATO and pro-US attitudes shared by the democratic parties.

25X1

Polls indicate the Communists can expect to retain their usual 17 to 19 percent of the vote, while the Socialists will win a 33 to 38 percent share. The centrist Social Democrats may attract 25 to 27 percent, but their former coalition partner, the rightist Center Democrats, will do well to get 10 percent.

25X1

The Socialists of Mario Soares could do better than the polls indicate, but they probably will not achieve an absolute parliamentary majority. Soares probably would turn to the parties to the right—not to the Communists—for a coalition partner after the election. The best hope for a strong and stable government would be a broadly based Socialist-Social Democratic coalition led by Soares.

25X1

The Social Democrats are likely to work with the Socialists only if they do well enough in the election to enable them to participate as near equals, rather than as junior partners. Having revamped their leadership in recent months and having mounted an aggressive campaign, the Social Democrats may place a close second to the Socialists and be interested in cooperating with them.

25X1

25X1

Top Secret

25X1

Page Denied

Next 1 Page(s) In Document Denied

Top Secret

25X1

Top Secret